

25. <b>Alexander Hamilton</b>	Founding father who advocated for a strong central government and central bank with the government playing an active role in the economy.	33. <b>Law of Demand</b>	Consumers buy more of a good when its price decreases and less when its price increases
24. <b>Board of Governors</b>	Seven member board that oversees the Fed. Appointed by the President, confirmed by the Senate - their duty is to operate America's banking system.	32. <b>Law of Supply</b>	As the price of an item goes up, the supply of that item will also go up. As the price of a good decreases, the quantity supplied decreases.
37. <b>Contractionary Money Policy</b>	a plan to reduce the amount of money in circulation; also called tight money policy	6. <b>Macroeconomics</b>	Looks at the economy as a whole, focusing on issues such as growth, unemployment, inflation, and business cycles
26. <b>Cost-Benefit Analysis</b>	A decision-making technique that examines the costs and expected benefits of a choice	5. <b>Market Economy</b>	An economy in which the decisions of communities, households and firms interacting in markets allocate economic resources.
30. <b>Demand</b>	Consumer willingness and ability to buy products	16. <b>Microeconomics</b>	Study of a single factor of an economy - such as individuals, households, businesses, & industries - rather than an economy as a whole.
8. <b>Demand deposit</b>	A bank deposit from which withdrawals can be made without notice. An example is a checking account.	7. <b>Monetarist</b>	Those who argue that government can effectively control the performance of an economy only by controlling the supply of money
12. <b>Discount Rate</b>	The interest rate on the loans that the Fed makes to banks	1. <b>Monetary Policy</b>	Government policy that attempts to manage the economy by controlling the money supply and thus interest rates.
4. <b>Easy money policy</b>	Monetary policy that increases the money supply. Also known as expansionary monetary policy	29. <b>Money's Economic Properties</b>	1) Scarcity 2) Stability of Value 3) Acceptability
27. <b>Economic Systems</b>	1) Traditional 2) Authoritarian 3) Market	22. <b>Money's Physical Properties</b>	1) Portability 2) Divisibility 3) Transportability 4) Uniformity
18. <b>Economizing</b>	Making decisions that rest in the best combination of cost and benefits	21. <b>Nationalization</b>	Changing something from private to state ownership or control
28. <b>Efficiency</b>	Condition in which maximum output is obtained from the resources used to produce goods and services	15. <b>Normative Economics</b>	An approach to economics that analyzes outcomes of economic behavior, evaluates them as good or bad, and may prescribe courses of action. Also called policy economics.
3. <b>Expansionary Monetary Policy</b>	Federal Reserve system actions to increase the money supply, lower interest rates, and expand real GDP; an easy money policy.	36. <b>Opportunity Cost</b>	A benefit that is given up when selecting one alternative over another.
10. <b>Factors of Production</b>	Land, Labor, Capital, Entrepreneurship	14. <b>Positive Economics</b>	An approach to economics that seeks to understand behavior and the operation of systems without making judgments. It describes what exists and how it works.
23. <b>Federal Open Market Committee</b>	the 12 member group that determines the purchase and sale policies of the Federal Reserve Banks in the market for U.S. government securities	13. <b>Prime Rate</b>	Rate of interest banks charge on short-term loans to their best customers
2. <b>Federal Reserve System</b>	The country's central banking system, which is responsible for the nation's monetary policy by regulating the supply of money and interest rates		
17. <b>Fractional Reserve Banking</b>	a banking system that keeps only the required reserve ratio, set by the Fed, and lends out the remainder		
19. <b>Inflation</b>	A decline in the value of money, accompanied by a rise in the prices of goods and services.		

20. <b>Production Possibilities Curve</b>	A graph that describes the maximum amount of one good that can be produced for every possible level of production of the other good
9. <b>Required Reserve Ratio</b>	The minimum percentage of deposits that banks are required to hold as reserves.
34. <b>Scarcity</b>	A situation in which unlimited wants exceed the limited resources available to fulfill those wants
31. <b>Supply</b>	How much of a good or service a producer is willing and able to produce at different prices.
35. <b>Trade Off</b>	Sacrifices made in order to obtain or achieve something else., an alternative that we sacrifice when we make a decision
11. <b>Wildcat Banking</b>	refers to banks being located in remote area who issued bank notes of questionable value